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MILK POOLING BRANCH
 POLICY AND PROCEDURAL LETTER NO. 23

AVERAGE SOLIDS-NOT-FAT CALCULATION

Effective with the July 1999¹ pool activity, the Average Solids-Not-Fat test to skim (AST) calculation has been modified to more precisely reflect each pool handler's solids-not-fat usage in the plant as well as the diversions of milk to other handlers. This AST is used to calculate the solids-not-fat pounds on each pool handler's obligation as shown on each section of the "Detail of Activity" report.

The AST will be calculated as follows:

	Skim	SNF	AST
Line 10, Receipts from Market Milk Producers	XX,XXX X,XXX		
Plus Line 02, Bulk Milk on Hand Beg. of Month	XX,XXX X,XXX		
Less All Diversions to Other Plants ²	<u>(XX,XXX)</u>	<u>(X,XXX)</u>	
Plant Pounds and AST	XX,XXX	X,XXX	00.000000%

Solids-Not-Fat pounds for diversions to other handlers, Section 2 of Detail of Activity Report, will be calculated using the skim pounds from the MPB800 report times the Average Solids-Not-Fat test from all producers diverted to such handlers (Producer Shipment reports 1A/1B, 2A/2B). All other Sections of the Detail of Activity Report will use the plant pounds AST.

By

Les Lombardo, Chief
 Milk Pooling Branch

Dated: August 1, 1999

¹ It is our intent to accommodate the change in the average solid-not-fat computation with the July 1999 pool. We are completing the testing of the reprogramming which was necessary for this pool calculation modification and believe that the change can be implemented effective with the July 1999 pool. If, however, further testing reveals problems with the reprogramming, we will delay implementation and all handlers will be notified of the new effective date.

² Skim pounds are derived based on the reported diversions on the MPB800 report. The SNF pounds are calculated and accumulated using the Average Solids-Not-Fat test for the total of all producers diverted to each handler based on the Producer Shipment reports (1A/1B, 2A/2B) multiplied by the skim pounds on each diversion.